

1 IN THE UNITED STATES BANKRUPTCY COURT
2 FOR THE SOUTHERN DISTRICT OF TEXAS
3 HOUSTON DIVISION

4 IN RE: § CASE NO. 20-33948-11
5 §
6 FIELDWOOD ENERGY, LLC, § HOUSTON, TEXAS
7 ET AL, § FRIDAY,
§ APRIL 14, 2021
8 DEBTORS. § 2:30 P.M. TO 3:21 P.M.

9 MOTION HEARING (VIA ZOOM)

10 BEFORE THE HONORABLE MARVIN ISGUR
11 UNITED STATES BANKRUPTCY JUDGE

12 APPEARANCES: SEE NEXT PAGE
13 (RECORDED VIA COURTSPEAK; NO LOG NOTES)

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(Please also see Electronic Appearances.)

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MICHAEL DANE
(Testimony by proffer from Mr. Perez)

28

EXHIBITS:

Marked

Offered

Received

Debtors' Exhibits No. 1261 1-16

27*

Debtors' Exhibit at Docket No. 1270

27

*Admitted solely for purposes of the Disclosure Statement
Hearing

1 HOUSTON, TEXAS; FRIDAY, APRIL 9, 2021; 2:30 P.M.

2 THE COURT: All right, we're going to start the
3 Fieldwood Energy case. It's case 20-33948. Two opening
4 matters. First, a statement by the Court. All objections
5 to confirmation are preserved. No objection will be waived
6 by anyone by not speaking today. No one needs to state that
7 they are reserving their objections to confirmation. They
8 are all reserved.

9 There's nothing in any order that we might sign if
10 we approve the Disclosure Statement, or in the Disclosure
11 Statement, that if it can be interpreted to mean that anyone
12 waives a confirmation objection, I will enforce. Nothing is
13 going to get waived.

14 Second, I'm going to ask Mr. Perez to tell me
15 where the Debtor perceives we are, and if anyone has any
16 problem with what Mr. Perez says, I'll then make another
17 statement.

18 Mr. Perez, go ahead, please.

19 MR. PEREZ: Good afternoon, Your Honor. Alfredo
20 Perez on behalf of the Debtors. Your Honor, I think we've
21 made very significant progress and I think we may be just
22 down to a -- even a handful, maybe less.

23 Ms. Liou and Mr. Carlson were going to take the
24 lead with respect to that, but I think we've made very,
25 very significant progress with respect to the Disclosure

1 Statement objections. And obviously, many parties, as the
2 Court indicated, are reserving rights, and obviously we
3 agree with that and we would have noted so on the record,
4 Your Honor.

5 THE COURT: Yeah, just to be clear --

6 MR. PEREZ: So if I could start --

7 THE COURT: Just to be clear, it's not "many"
8 parties, it's "all" parties.

9 MR. PEREZ: Correct, Your Honor. Even for all of
10 the parties, we would -- we would agree to the reservation
11 of rights.

12 THE COURT: All right.

13 MR. PEREZ: So if Ms. Liou could actually step in,
14 that would be very helpful.

15 THE COURT: Well, before we start with Ms. Liou,
16 if there's anyone that wishes to make any statement as an
17 initial matter, as I was enabling you to do, you're free to
18 do that. You'll need to press five-star one time on your
19 phone. And then we can go to Ms. Liou, depending upon how
20 that goes.

21 All right, Ms. Liou, I'm about to enable your
22 line, here. There is no other party that has asked to
23 speak today. We have, by the way, for any record done,
24 electronic appearances. If you haven't made your electronic
25 appearance, please feel free to go to my home page and

1 you'll be able to have a link to the electronic appearances
2 there.

3 Ms. Liou, go ahead, please.

4 MS. LIOU: Good afternoon, Your Honor. Jessica
5 Liou from Weil Gotshal & Manges, on behalf of the Debtors,
6 Fieldwood Energy, LLC and its affiliated Debtor entities.

7 I'll echo what Mr. Perez said. Since the initial
8 Disclosure Statement hearing, we've undertaken very
9 significant and continued efforts to collaborate with key
10 stakeholders, a number of parties in providing additional
11 responsive information to resolve their objections, and
12 granted access to additional information requested by
13 those parties.

14 And you would have seen that we have filed
15 documents since that hearing, which provides some updates to
16 the documents as a result of those discussions. I'll just
17 briefly, for the record, refer to them as the Fourth Amended
18 Plan that was filed last Friday at Docket No. 1252, along
19 with a related redline at 1253.

20 Also the Disclosure Statement for the Fourth
21 Amended Plan filed last Friday, and the Amended Disclosure
22 Statement that further updates and brings forth additional
23 information and language that was requested by parties to
24 be included in the Disclosure Statement, which was filed
25 ultimately this morning at Docket No. 1270 with a redline

1 at Docket No. 1271.

2 We also filed an updated Disclosure Statement
3 approval order with just minor changes, mostly changes
4 to conform to -- subject to just a handful of proposed
5 deviations to your Judge's Scheduling Order. And that
6 was filed at Docket No. 1268.

7 Your Honor, I apologize that we weren't able to
8 file anything in advance that kind of gives you a summary of
9 where we are currently with the various objectors. But what
10 we have done is prepared a very easy-to-follow single
11 summary status sheet that sets forth where we are with
12 the various parties. And if you would allow for Anthony
13 Marzocca of our team to be able to share the screen, he
14 can pull that up for you and we can run through that very
15 quickly.

16 THE COURT: I'll do that in just a second.
17 Mr. Brescia has asked to be able to speak.

18 Mr. Brescia, go ahead, please.

19 MR. BRESCIA: Thank you, Your Honor. This
20 is Duane Brescia for Zurich American Insurance Company.
21 I think the Court's request was: Is there any initial
22 comments? I'm happy to let Ms. Liou, you know, finish her
23 presentation. We just do have a couple questions and
24 comments about the Disclosure Statement, so I'll just
25 reserve that until she's finished. Thank you, Your Honor.

1 THE COURT: All right, thank you. I will leave
2 your line alive. If you'll just mute your own line, you can
3 speak up when you're ready. Ms. Brescia [sic], if you could
4 have your team member turn their camera on, I'll be able to
5 find them more easily that way.

6 Ahh, there he is. Mr. Marzocca, I just didn't see
7 you at first. You are now the presenter. Let's be sure
8 that all works.

9 Ms. Liou, I can't hear you.

10 MS. LIOU: Yes. Sorry about that, Your Honor.
11 I was on mute. Hopefully everyone can see the screen. And,
12 again, apologies we weren't able to file this earlier. In
13 fact, we were in active discussions with practically all of
14 these parties. And, as you can imagine, the status of the
15 various objections was changing hour-by-hour. And so we
16 thought it made the most sense to just come with the most
17 up-to-date information for purposes of this hearing by
18 presenting this one-pager.

19 You will see, Your Honor, that a number of the
20 objections were formally withdrawn, as reflected in the
21 first category here on this page. We've also, as Mr. Perez
22 mentioned, spoken with a number of other objectors -- twelve
23 parties in total, and there may be more as we were in
24 ongoing discussions with a number of them as we were headed
25 into this hearing -- where the parties have either

1 considered their objections resolved in light of the
2 additional information we've provided, both in connection
3 with the filed documents and in formal and informal
4 discovery.

5 And there are a couple of parties, while not
6 prepared to frame their objections as resolved, have
7 confirmed to us that they will not be pressing those
8 objections at today's hearing. And that includes, for
9 example, the Department of Interior, as well. So I just
10 want to point that out.

11 We do have a group of sureties that we have been
12 in regular dialog with it. And you may seen, Your Honor,
13 that we did have, on April 9th, a call with the sureties
14 to address a number of their concerns. And as a result of
15 that, we think that we resolved a number of their concerns
16 but for perhaps maybe one or two issues which they may raise
17 at this hearing.

18 And then the last category of objectors were
19 objectors whom we had reached out to repeatedly and just
20 one way or another have not yet been able to receive
21 confirmation from them that their issues are resolved.
22 The Debtors' position, of course, is that with the
23 additional information provided, we have fully addressed
24 their concerns, and to the extent that their objections were
25 not resolved, we would ask if the Court would overrule them.

1 THE COURT: All right. Does it make some sense to
2 see if anyone not in the other category disagrees with where
3 you've placed them, and then we'll go through the -- one,
4 two, three, four -- the eight people in the other category
5 and ask anyone there what their current position is about
6 whether they intend to press their objections today or
7 whether their objections are going to be reserved for
8 confirmation.

9 So, unless you object to that, I'm going to ask
10 for anyone that is listed in any of the groups other than
11 the "other parties" to disagree with how Ms. Liou has
12 characterized you. Please press five-star if you disagree
13 with her characterization.

14 Mr. Zuber, good afternoon.

15 (No response.)

16 THE COURT: Mr. Zuber, I can't hear you, but I
17 have your line open from here.

18 MR. ZUBER: Your Honor, can you hear me now?

19 THE COURT: I can, Mr. Zuber. Good afternoon.

20 MR. ZUBER: Thank you. Good afternoon. Thank
21 you, Your Honor. I just wanted to note, it indicates under
22 Sureties, nine parties. The second one, Number 18, it says
23 Aspen but -- and that was probably the lead name, but we
24 represent four sureties, my office. It's Aspen, Berkley,
25 Sirius and Everest Reinsurance. So, I'm assuming that where

1 it says Aspen on Line 18, that would also include our other
2 three surety clients. Just wanted to clarify that for the
3 record.

4 THE COURT: Mr. Zuber, thank you.

5 MR. ZUBER: Yes, Your Honor.

6 THE COURT: Let me see if anyone else wants to
7 address anything. From 504-908-5155, who do we have on the
8 phone?

9 MR. KUEBEL: Good afternoon. Omer Kuebel from
10 Locke Lord. I'm speaking on behalf of Freeport-McMoRan and
11 ConocoPhillips just to kind of clarify our position. And
12 we've been back and forth, but the Debtor supplied a
13 tremendous amount of information for us --

14 THE COURT: Let me interrupt you for a minute
15 because you broke up in the beginning and I don't know who's
16 talking. I'm sorry.

17 MR. KUEBEL: Yeah. Of course, Judge.

18 THE COURT: Can you tell me your name?

19 MR. KUEBEL: Yeah. This is Omer F. Kuebel, III.

20 THE COURT: Oh, Mr. Kuebel.

21 MR. KUEBEL: Yes. Thank you, Your Honor.

22 THE COURT: You're at a different than normal
23 number, and so it didn't come up.

24 MR. KUEBEL: I am at a different than normal
25 number today. And I apologize, I hope that's not created

1 any confusion for the Court but I --

2 THE COURT: No, no. I just didn't know whose
3 voice I was hearing and you cut off in the beginning. Why
4 don't you go ahead. Thank you.

5 MR. KUEBEL: Sure. Thank you, Your Honor. I'm
6 speaking on behalf of Freeport-McMoRan and ConocoPhillips,
7 two of the entities listed.

8 And we're at a point with the information that
9 we've received up to and through the last few days, to pull
10 back our Disclosure Statement objection, reserve our rights
11 to confirmation. There are a couple of issues related to
12 Fieldwood 1 and 3 that the Debtor's aware of and we're going
13 to send some discovery on.

14 But for purposes of today, we have no objection
15 with proceeding, and I wanted to clarify our position for
16 the record, Your Honor.

17 THE COURT: Mr. Huebel, thank for the
18 clarification. I appreciate it and sorry I didn't pick
19 up on who you were in the very beginning.

20 MR. KUEBEL: No problem. Thank you, Your Honor.

21 THE COURT: All right. We have Ms. Williamson on
22 the phone. Good afternoon, Ms. Williamson.

23 (No response.)

24 THE COURT: Ms. Williamson, I don't hear you.
25 I have your line unmuted on my end.

1 MS. WILLIAMSON: Your Honor, I apologize again.
2 But, Your Honor, Deborah Williamson with (indiscernible).
3 We are listed at Line 26 as "Other."

4 THE COURT: Yes.

5 MS. WILLIAMSON: We received some informal
6 clarifications as to the proposed treatment of our plan --
7 of our claim. Obviously we dis -- well, we disagree with
8 the treatment of that claim, but for purposes of the
9 Disclosure Statement, we're not going to continue to object.

10 THE COURT: Ms. Williamson, thank you for
11 clarifying that.

12 Mr. Eisenberg?

13 MR. EISENBERG: Good afternoon, Your Honor.
14 Philip Eisenberg.

15 THE COURT: Good afternoon.

16 MR. EISENBERG: I rise -- we did file an objection
17 on behalf of W&T Offshore for purposes of the disclosure
18 hearing. We will not be pursuing the matters. We think
19 that they have been appropriately addressed through the
20 discovery procedure and the modifications that have been
21 made. And we have been very busy.

22 I apologize for not getting back in touch with
23 them, for the sureties, and I will have a few comments to
24 make with regard to US Specialty and HCCI. Thank you.

25 THE COURT: Okay, thank you.

1 All right, Ms. Guffy?

2 MS. GUFFY: I know Mr. Eisenberg sometimes
3 feels my thunder, Your Honor. I was going to address the
4 objection that was filed by HCCI. We had had some problems
5 with the voting procedures and needed some clarification on
6 that, but the changes to the Disclosure Statement I think
7 that the Debtors have made have clarified that issue with
8 regard to whether there's going to be some independent
9 adjudication by the Debtor of contingent claims, and there's
10 not. So we appreciate their help in clarifying that, and
11 that part of our objection is resolved.

12 THE COURT: Ms. Guffy, thank you.

13 I know I've got more people. I'm just -- there
14 are two hundred and something people on the line; it will
15 take me a minute. From 713-504-2261, who do I have?

16 MR. DAVIS: Good afternoon, Your Honor. Sean
17 Davis with Winstead PC on behalf of Japex (U.S.) Corp.
18 Can you hear me?

19 THE COURT: I can, Mr. Davis, and I read your
20 objection this morning.

21 MR. DAVIS: Thank you, Your Honor. I rise
22 virtually only to make a brief comment. Here in the last
23 few minutes, we have reached an agreement with the Debtors,
24 pursuant to which Japex considers its objection resolved,
25 the objection that was filed at Docket No. 1269. And I just

1 wanted to make that clarification and announcement on the
2 record. Thank you, Your Honor.

3 THE COURT: Thank you, Mr. Davis.

4 All right. So let me ask, then, COPC's attorney
5 to please press five-star one time on your phone.

6 MR. PEREZ: Your Honor, I believe that was Mr.
7 Kuebel for ConocoPhillips, but I may be mistaken.

8 THE COURT: Mr. Kuebel, did you include -- because
9 you were breaking up on me for a moment. Did COPC not wish
10 to proceed with its Disclosure Statement objection?

11 MR. KUEBEL: Yes. Your Honor, can you hear me?

12 THE COURT: I can.

13 MR. KUEBEL: Yes. Thank you, Your Honor. Yeah,
14 I maybe did not put together the COPC versus ConocoPhillips,
15 but when I appeared earlier, it was both for Freeport
16 McMoRan and for ConocoPhillips. And on behalf of
17 ConocoPhillips, ConocoPhillips is reserving its right.
18 And I apologize if I wasn't clear, and I --

19 THE COURT: No, I just didn't follow -- I didn't
20 follow the initials, but we're good. Thank you.

21 MR. KUEBEL: Thank you, Your Honor.

22 THE COURT: Does someone here represent Merit that
23 can press five-star?

24 MR. EISENBERG: Your Honor, Philip Eisenberg on
25 behalf of Merit. I should have rose for them as well, Your

1 Honor. Their disclosure issues have been addressed for the
2 time being. Thank you, Your Honor.

3 THE COURT: Thank you, Mr. Eisenberg.

4 Next is SCEEP. Can I get counsel for SCEEP to
5 press in, please?

6 (No response.)

7 THE COURT: Ms. Liou, what does SCEEP stand for,
8 because obviously I'm not very good at figuring these out.

9 MS. LIOU: Your Honor, I don't remember at
10 the moment, but I do want to speak up and say that I have
11 been emailing with their counsel and they have confirmed
12 that subject to their reservation of rights, they are --
13 their objection is resolved as well. I'll let them speak up
14 to the extent that they disagree, but we just got that email
15 confirmation.

16 THE COURT: I think that's Ms. Heyden. Let me
17 see. Ms. Heyden, good afternoon.

18 MS. HEYDEN: Good afternoon, Your Honor. I'm
19 sorry, I pressed five-pound. Counsel represented our
20 position, and your reservation works perfectly for us.
21 Thank you, Your Honor.

22 THE COURT: Ms. Heyden, I couldn't hear you.
23 I couldn't understand you.

24 MS. HEYDEN: I can hold the phone closer to me.
25 Your Honor, we are -- the representation made by counsel

1 for the Debtor is correct. We are simply reserving any
2 objections we have to the confirmation as you stated in
3 the beginning of the hearing, and so we are fine with the
4 Disclosure Statement.

5 THE COURT: Ms. Heyden, thank you.

6 For LLOG, who do we have?

7 (No response.)

8 THE COURT: Can I get LLOG's counsel? And can you
9 tell me what LLOG stands for if it's not LLOG?

10 MR. LIOU: I'm not -- I don't know if it stands
11 for anything other than -- we have been referring to them
12 as L-Log.

13 THE COURT: All right. Here we go.

14 All right. From 504-289-7066, who do we have
15 on the phone?

16 MR. BAI: Yes, Your Honor, this is John
17 Bai (phonetic).

18 THE COURT: Mr. Bai, good afternoon.

19 MR. BAI: Good afternoon. And, Your Honor, we are
20 withdrawing our objection to the Disclosure Statement and
21 reserving our rights.

22 THE COURT: All right. So according to what
23 Ms. Liou presented, to which now no one has objected,
24 there are no outstanding Disclosure Statement objections.
25 So I want to take a moment and ask if anyone does have an

1 outstanding Disclosure Statement objection, just to be
2 sure we have a good record on that.

3 If you do, please press five-star. Otherwise, I'm
4 going to allow the Debtors to present their *prima facie* case
5 for approval of the Disclosure Statement.

6 MR. BRESCIA: Your Honor, this is Duane Brescia
7 for Zurich. I was just kind of waiting for all the list to
8 speak up, but I would like to raise a couple points. If I
9 may go ahead.

10 THE COURT: Go ahead, please, Mr. Brescia.

11 MR. BRESCIA: Okay. Thank you, Your Honor.
12 For the record, Duane Brescia for Zurich, and I might be
13 speaking for my client and on behalf of some other sureties.

14 The Debtor has made substantial progress. We
15 filed a number of objections, resolved I think almost all of
16 them with the caveat that, you know, some of the requested
17 disclosures, the Debtor has agreed to make the production to
18 us in the course of business under the scheduling order.
19 So for Disclosure Statement purposes, those requests are no
20 longer outstanding for today.

21 The final remaining issue that I have -- and I
22 did attempt to speak with Mr. Perez prior to this case.
23 I thought it was a fairly easy issue to resolve, but in the
24 course of our discussion it probably got a little more
25 complicated, and therefore I wanted to raise them today

1 because I think it can be resolved for Your Honor.

2 One of the issues that some of the sureties have
3 is the treatment of Apache Corporation. They did file
4 several proofs of claim claiming to be secured creditors.
5 In various conversations with Debtors' counsel, it was
6 related to us that they believed that Apache will be
7 voting for this Plan as a general unsecured creditor
8 under Class 6B.

9 I just requested some clarification on the
10 Disclosure Statement of which one that's going to be. And
11 in my conversation with Mr. Perez, he said that it's either
12 Class 1 or Class 6B, and I was hoping that we could get a
13 better clarification on that.

14 It does have implications for Plan objections
15 and other avenues that certain creditors, including my
16 client, may need to take. And so if we could just get some
17 understanding, either on the record or in the Disclosure
18 Statement as to what class the Debtor intends to place
19 Apache and where they'll be voting and how they're to be
20 treated that way.

21 THE COURT: Perhaps that's a question somewhat for
22 Ms. Russell as to how they'll be voting, and maybe she would
23 also know the classification issues. So let me have you
24 start with her.

25 Ms. Russell, could you press five-star one time?

1 I see you. Let me just get to you. Ms. Russell, good
2 afternoon.

3 (No response.)

4 THE COURT: I think your own phone is muted now.
5 I've got you unmuted.

6 MS. RUSSELL: I'm sorry, Your Honor.

7 THE COURT: That's all right.

8 MS. RUSSELL: All this technology gets confusing.
9 Your Honor --

10 THE COURT: It was a good clue because I could see
11 your lips moving, Ms. Russell.

12 MS. RUSSELL: I spoke with Weil just before this
13 hearing. Your Honor, I believe that we take the position
14 that we will be voting as an unsecured creditor. There --
15 it is set forth in our proof of claim a placeholder
16 regarding surety, although it relates to bonds and
17 letters of credit, which are not assets of the estate.

18 So we were not secured by the Debtors' assets, but
19 we subtracted the value of what we hold in the bonds and
20 (audio cut out) and that will get to the amount of our
21 unsecured claim. And we are working with the Debtor as to
22 the amount that will be voted, but I think that we can
23 address that and resolve it, Your Honor.

24 THE COURT: Mr. Brescia, does that answer your
25 question?

1 MR. BRESCIA: It sure does. Thank you.

2 THE COURT: Thank you, Mr. Brescia. Anything
3 further from Zurich?

4 MR. BRESCIA: Nothing further today, Your Honor.

5 THE COURT: Thank you. So, again, knowing that
6 at the beginning of the hearing, I reserved everybody's
7 confirmation objections, does anyone object to the
8 Disclosure Statement or for the Debtor merely presenting
9 their *prima facie* case in support of approval of it?

10 (No response.)

11 THE COURT: All right. I find that there are no
12 objections that are unresolved.

13 Ms. Liou, how did you want to proceed?

14 MS. LIOU: Your Honor, I think there are a couple
15 of things that we'd like to accomplish, and we're happy to
16 take it how ever the Court wants. But we're happy to run
17 through the redlines that we filed last night and this
18 morning, if it's at all helpful for the Court.

19 If not, I think we can just generally say that the
20 changes themselves are, you know, largely non-substantive
21 and related to updates and bringing the information forward,
22 as we had mentioned, and were made at the requests of the
23 various parties who had comments to some of those documents.
24 And so we tried to accommodate those comments. But again,
25 we're happy to run through those redlines.

1 Mr. Perez also has Mr. Dane in the courtroom and
2 has evidence that can be presented in support of a *prima*
3 *facie* case in order to grant the Motion to Approve the
4 Disclosure Statement. And other than that, you know, we
5 would rely on the legal arguments presented in our papers
6 in the original motion.

7 THE COURT: So I want you to proceed how you want
8 to proceed, Ms. Liou. If the parties -- really, those
9 redline changes, as I understand them -- and I've not looked
10 at all of them -- aren't deletions of information. So there
11 was adequate information, I think, already there.

12 MS. LIOU: Right.

13 THE COURT: Given that all the objections are
14 withdrawn, if all that you're going to show me is: Here's
15 why the objections were with drawn is because we added X, it
16 may or may not be a productive use of your time. I've got
17 my afternoon set aside for it, and so it's up to you.

18 But if you think you need to do that for any
19 evidentiary reason, or to satisfy people that you really did
20 do what you said, then all those are good reasons to do it.
21 But if you're happy with where you are, then I'm not going
22 to require you to go through the redline. It is not needed
23 by me, but it may be needed by you.

24 MS. LIOU: Your Honor, I think that we believe
25 that the documents -- as you mentioned, they are in full

1 agreement that we believe that they were adequate. We
2 didn't delete any information. We updated information
3 and in fact added information, so I think it's more than
4 adequate at this point.

5 Perhaps the handful of things I would like
6 to highlight, Your Honor, only because it impacts the
7 scheduling order that you previously entered last week,
8 is that we did propose in our revised proposed Disclosure
9 Statement approval order, making clear the times by which
10 certain deadlines apply.

11 So, for example, the voting deadline in your
12 scheduling order did not have a time certain, and so we
13 added in 4:00 p.m., prevailing Central Time, as a time
14 certain so that parties are very clear as to when they
15 absolutely need to submit their ballots. And that time
16 would provide Prime Clerk sufficient ability to count all
17 the ballots and then meet the rest of the deadlines that
18 the judge set -- that you set after --

19 THE COURT: Yeah. So what I'd suggest we do on
20 the order is, assuming we approve the Disclosure Statement
21 -- and it sounds like if you kept all these people happy, we
22 will. At that point we'll open up the order, we'll take a
23 look at it on the screen, and we'll let people deal with the
24 order separately from whether the Disclosure Statement
25 itself is adequate. So I would ask that you defer --

1 MS. LIOU: Sure.

2 THE COURT: -- defer that until we get to that
3 point.

4 MS. LIOU: No problem.

5 THE COURT: Thank you.

6 MS. LIOU: So I guess that at this point I can
7 turn it over to Mr. Perez.

8 THE COURT: Thank you. Mr. Perez?

9 MR. PEREZ: Yes, Your Honor. Your Honor, I would
10 move for admission of Exhibits 1261-1 through 1261-14.

11 THE COURT: Is there anyone that objects to
12 the admission, solely for the purpose of the Disclosure
13 Statement hearing and not for the purpose of confirmation
14 or other subsequent hearings, 1261-1 through 14 [sic]?

15 If so, please speak up if I've already opened your
16 line, or press five-star if I haven't.

17 MR. PEREZ: Oh, I'm sorry, Your Honor.

18 THE COURT: 1261 -- go ahead.

19 MR. PEREZ: I'm sorry, Your Honor. Through
20 1261-16. Ms. Choi just sent me a note. I apologize.

21 THE COURT: All right. Is there any objection
22 to the admission of Exhibits 1 to 14 [sic], which are a part
23 of 1261-1 through 1261-16, because some of these are in
24 subparts?

25 (No response.)

1 THE COURT: All right. 1261-1 through 16 are all
2 admitted.

3 (Debtors' Exhibits 1261-1 through 1261-16 received
4 in evidence.)

5 MR. PEREZ: Thank you, Your Honor. In addition,
6 Your Honor, although not on our witness and exhibit list,
7 because it was filed subsequent to it, we would like
8 admission of Docket No. 1270 as an exhibit as well.
9 So it would be, I guess --

10 THE COURT: I'm admitting 1270 because it is the
11 target of today's hearing.

12 (Debtors' Exhibit, Docket No. 1270, received in
13 evidence.)

14 MR. PEREZ: All right. And then, Your Honor, I
15 would tender the -- proffer the testimony of Mr. Dane.

16 THE COURT: All right. Mr. Dane, would you raise
17 your right hand, please sir.

18 MR. DANE: (Complying.)

19 THE COURT: Do you swear to tell the truth, the
20 whole truth, and nothing but the truth?

21 (Witness Michael Dane sworn by the Court.)

22 THE COURT: Oh, sorry, Mr. Dane. Let me get your
23 line open. We'll try it again. Do you swear to tell the
24 truth, the whole truth, and nothing but the truth?

25 MR. DANE: Yes, I do.

1 (Witness Michael Dane re-sworn by the Court.)

2 THE COURT: Thank you. I think we've done this
3 before, Mr. Dane, but it's your responsibility to fix Mr.
4 Perez's mistakes. So after he makes his presentation,
5 I'm going to call on you.

6 Mr. Perez?

7 (Proffer of Mr. Dane's testimony, by Mr. Perez)

8 MR. PEREZ: Yes, Your Honor. If called to
9 testify, Mr. Dane would testify that he is the Executive
10 Vice President and Chief Financial Officer of Fieldwood
11 Energy, LLC and its related subsidiaries, that he has
12 read and reviewed the Plan and the Disclosure statement,
13 including each one of the various iterations of the Plan
14 and the Disclosure Statement including Docket No. 1270, that
15 he is familiar with each of the transactions contemplated by
16 the Plan and described in the Disclosure Statement.

17 And based on his knowledge of Fieldwood, what he
18 has been informed by counsel, as well as his familiarity
19 with the various transactions and his involvement in
20 negotiating the various transactions, that he believes
21 that the Disclosure Statement contains true and accurate
22 information with respect to those transactions, and that the
23 Disclosure Statement generally is true and accurate to the
24 best of his knowledge.

25 And that would conclude his tender, Your Honor.

1 THE COURT: Thank you.

2 Mr. Dane, do you accept the proffer? Do you have
3 any additions, corrections or deletions to it?

4 MR. DANE: No, Your Honor. I accept the proffer.

5 THE COURT: Thank you.

6 Is there any party that has any questions for
7 Mr. Dane about the Disclosure Statement?

8 (No response.)

9 THE COURT: All right.

10 Mr. Perez, any further evidence in support of
11 approval of the Disclosure Statement?

12 MR. PEREZ: No, Your Honor. The Debtor would rest
13 and request entry of the order approving the Disclosure
14 Statement.

15 THE COURT: Does any party have any additional
16 evidence with respect to the Disclosure Statement either in
17 support of or in opposition to, approval of the Disclosure
18 Statement?

19 (No response.)

20 MR. EISENBERG: Your Honor, Philip Eisenberg on
21 behalf of HCCI.

22 THE COURT: Mr. Eisenberg?

23 MR. EISENBERG: Thank you, Your Honor. I don't
24 have further evidence. I did want to clarify Your Honor's
25 point about preserving all objections to confirmation.

1 It was very broad and all that, but just to be
2 technically correct, I think we also are reserving all
3 objections to and defense to the credit bid and to the
4 merger -- the device of merger itself, as set out in the
5 Disclosure -- proposed Disclosure Order. Those are due on
6 the same day as confirmation objections.

7 And I thought that Your Honor meant to include
8 those as well in the reservation. I just wanted to clarify
9 that those were included as well, because we have serious
10 concerns about the nature of the device of merger. We just
11 don't think that they're here for today for Disclosure.

12 THE COURT: Let me clarify my reservation
13 statement, because you're correct. Today, we are here to
14 approve the Disclosure Statement, *qua* disclosure, and not
15 for any of the substantive intentions that might be carried
16 out in furtherance of anything that is described in the
17 Disclosure Statement.

18 So it's not only what you have stated you've
19 reserved, but everything else in the universe that anyone
20 can imagine. All that we're approving is that this
21 disclosure is adequate under 1125, without anyone waiving
22 rights about contemplated transactions.

23 MR. EISENBERG: Thank you, Your Honor.

24 THE COURT: Thank you. All right. I'm approving
25 the Disclosure Statement. I find that it contains adequate

1 information -- I knew it had adequate information in it
2 before I came out here. I needed the testimony to prove to
3 me that it was in fact accurate information.

4 Mr. Dane, who has proven to be a credible witness
5 throughout the hearings to date, has testified that it's
6 accurate and I accept that statement by him and therefore
7 find that the Disclosure Statement does contain adequate
8 information as required by 1125 in the Bankruptcy Code, and
9 it is approved.

10 I have not read what you filed at 1268. I'm going
11 to put it up on the screen and allow parties to read through
12 it with me. So give me just a moment to get that done.

13 (Brief pause.) I'm going to open -- it's actually 1268-1.

14 I'm going to just try and go through this on the
15 screen, and please feel free either to speak up if your line
16 is enabled, or to raise your hand by pressing five-star one
17 time if you have a problem with any of the substance or form
18 of the Disclosure Statement.

19 (Displaying document on screen.)

20 THE COURT: So I think this should say April 19th.
21 Is that right? Ms. Liou?

22 MS. LIOU: Yeah. Your Honor, I'm just looking at
23 my calendar real quickly, but I believe that that's right.

24 (Reviewing calendar) That's right.

25 Your Honor, just one change I did want to point

1 out to you, was the change to the Plan Supplement filing
2 deadline. In your original scheduling order, that had been
3 set for June 2nd, we moved up the timing a bit to May 26th
4 to allow for at least a week prior to the voting deadline
5 for parties to review the documents that we will be filing
6 as part of the Plan Supplement.

7 THE COURT: So I'm not sure why I'm including the
8 confirmation outside date. That's kind of your target, and
9 not my order, right?

10 MS. LIOU: Your Honor, that is the date that is
11 built into our Plan. I guess I'll defer to our lenders as
12 to whether they have any issues removing that from the
13 order.

14 THE COURT: Well, it's built into your Plan, which
15 I haven't confirmed. So it's your goal, not my order is my
16 point.

17 MS. LIOU: So we're --

18 THE COURT: I'm going to take that out.

19 MS. LIOU: We're fine with --

20 THE COURT: It's fine with me if it means that you
21 fail if I don't get that done. I'm just not going to order
22 that you fail if I don't get that done.

23 MS. LIOU: Understood.

24 THE COURT: Where would I see those procedures
25 that are referenced in paragraph 13?

1 MS. LIOU: The procedures for tabulating the
2 ballots --

3 THE COURT: Yes.

4 MS. LIOU: -- are for this motion. I can find the
5 specific paragraph in the motion if you need me to, Your
6 Honor.

7 THE COURT: Which motion? Which motion, is the
8 question, I think.

9 MS. LIOU: The Disclosure Statement Approval
10 Motion, Your Honor.

11 THE COURT: And I just need an ECF number so I can
12 look at it.

13 MS. LIOU: Sure. I believe that the ECF number
14 was 724, but give me a minute and I'll confirm that.

15 THE COURT: Sure. 724 is a Disclosure Statement
16 Motion. Okay, I'm there. It's paragraph 62; right?

17 MS. LIOU: I believe that's right, Your Honor.
18 I'm just trying to pull up a copy of that motion.
19 (Reviewing document.)

20 MS. LIOU: That's correct, Your Honor.

21 THE COURT: All right. I don't have any problem
22 with those procedures. I just wanted to read through them.
23 As you probably know by now, I don't do this. (Reviewing
24 document.)

25 So take me to 32 and 33. So on May 7th at 11:59,

1 you object to a claim. How can someone then vote if they
2 think you're wrong?

3 MS. LIOU: Your Honor, they can -- well,
4 certainly there's always the opportunity for us to work
5 out a consensual resolution with the party, but they can
6 obviously always contest or object to the Rule 3018(a)
7 motion that we file.

8 THE COURT: How can they do that? Because they
9 have to seek to estimate their claim by this same moment in
10 time that you get to object to it.

11 MS. LIOU: Your Honor, if the suggestion is to
12 change the timing or the date for when those motions need to
13 be filed, I think we're fine accommodating that. We were
14 simply trying to match that to the scheduling order, which
15 does provide for the same date by which those motions need
16 to be filed.

17 THE COURT: I think I'm just -- I'm not saying it
18 isn't wrong by my own order, but it looks like it's wrong.
19 Do you have any problem extending this out until May 14th?

20 MS. LIOU: No. I do not have an issue with that.

21 THE COURT: Does that mean I need to change that
22 first paragraph?

23 MS. LIOU: The initial paragraph up front? Right,
24 with the chart of key dates.

25 THE COURT: Sorry. What is this 3018(a) motion?

1 That line right here (indicating)?

2 MS. LIOU: Apologies, Your Honor. That deadline?
3 That's the deadline in order for us to determine whether or
4 not we want to file some kind of a motion that impacts the
5 amount of their claims for voting purposes.

6 So, for example, if a creditor seeks to challenge
7 the allowance of its claim for voting purposes, then they
8 can go ahead and file a motion seeking to temporarily allow
9 that claim for voting purposes.

10 THE COURT: Correct. That's what I thought
11 we did in 3018. Isn't that the same as the estimation
12 deadline? I guess not. Okay, so I need to make both
13 of these May 14th.

14 MS. LIOU: Well, Your Honor, in the scheduling --
15 we had set both of those deadlines as May 7th because that's
16 how it appears in the scheduling deadline, and that's what
17 we thought we had sent.

18 THE COURT: I know, but you've added now your own
19 May 7th deadline for objecting, which means that their May
20 7th deadline for filing these two doesn't work.

21 MS. LIOU: Right, so --

22 THE COURT: If you want to accelerate your
23 deadline back to April 24th or something -- you know,
24 April 23rd, I can leave these May 7th deadlines alone.

25 MS. LIOU: I think we're fine moving it to May

1 14th, Your Honor.

2 THE COURT: Okay. (Reviewing document.) Oh,
3 these are the same ones that we already approved; right?

4 MS. LIOU: That's right.

5 THE COURT: (Reviewing document.) All right.
6 I do have some folks that wanted to speak. And I apologize,
7 I wasn't watching my phone, but we'll go back and pick up
8 whatever those are.

9 MS. LIOU: Your Honor, just one quick point.
10 The change to some of the deadlines does impact some of the
11 exhibits --

12 THE COURT: Right.

13 MS. LIOU: -- to the order. So we'll have to --

14 THE COURT: I would expect you just to conform
15 those, and I don't need them changed now.

16 MS. LIOU: Absolutely.

17 THE COURT: Mr. Carlson, you were the one that
18 clicked in that I wasn't watching.

19 MR. CARLSON: Your Honor, what I was going to say
20 has been addressed. I was going to have some -- a couple
21 comments, but Ms. Liou addressed them.

22 THE COURT: Thank you, Mr. Carlson. So have there
23 been changes to the exhibits from what I would have seen?

24 MS. LIOU: The bulk of the changes, Your Honor,
25 are updates to the dates, and then language changes to make

1 it consistent with the Disclosure Statement order, the
2 changes that were made. Nothing terribly substantive in
3 my -- from my perspective.

4 I'm just flipping through it really quickly to
5 see if there's anything worth highlighting. But, really, I
6 think the key change was the reference to the updated Plan
7 and Disclosure Statement and references to updated deadlines
8 and dates, consistent with the scheduling order, and not a
9 (indiscernible) in the Disclosure Statement order.

10 THE COURT: All right. So if I'm a non-voting
11 party and I want to opt out of the releases, I'm looking at
12 the non-voting notice. What do I do?

13 MS. LIOU: Your Honor, I believe that -- I'm just
14 headed there so I can show it to you. If you go to the end
15 of that notice, it's an attachment right at the end of the
16 notice. There is an optional release opt-out form.

17 THE COURT: (Reviewing document.) So each non-
18 voting party will also get their unique ID?

19 MS. LIOU: Your Honor, I believe that that's the
20 way that Prime Clerk likes to do it, in order to track each
21 of the responses that comes in.

22 THE COURT: So they would go -- if they want
23 to electronically opt out -- I just want to be sure I'm
24 understanding this. If someone goes to the website that's
25 shown here, they click on that they want to submit a ballot.

1 And then it's going to tell them how to do an opt-out form?

2 MS. LIOU: Yes. That's correct.

3 THE COURT: Okay. Or they can mail this in.

4 MS. LIOU: Correct.

5 THE COURT: Okay. Does anyone have any problem
6 with the way this is structured or done? I'm not having a
7 problem with it; I just wanted to be sure I'm understanding
8 it.

9 (No response.)

10 THE COURT: All right. I have signed the order.
11 I will make a docket entry that the Debtor is authorized to
12 make conforming date and ministerial changes to the attached
13 documents to be certain that the attachments conform. And
14 I have sent it to docketing. It's going to be docketed
15 shortly.

16 What else do we need to do today?

17 MS. LIOU: Thank you very much, Your Honor. We
18 appreciate that. I don't have anything else, and I thank
19 you for entering in the order.

20 THE COURT: I thank you for all the preparation
21 you did to get me there. So let me hear from anyone else
22 that has anything you need to raise today besides the
23 Debtors.

24 (No response.)

25 THE COURT: If anybody has anything you need to

1 address and I haven't already enabled your line, if you
2 would please press five-star one time.

3 (No response.)

4 THE COURT: Mr. Perez, my wife is going to be
5 disappointed that I'll be home at a normal hour, but I
6 appreciate all the work that you all did to get this pulled
7 together.

8 MR. PEREZ: Thank you, Your Honor. Just by way
9 of a heads-up, Your Honor, the Court will remember that
10 the Court entered a TRO in connection with the Atlantic
11 litigation. That TRO expires tomorrow. We filed an Amended
12 Complaint last night.

13 We're having discussions with them, but there's
14 a scheduled hearing on Friday on an unrelated 9019 with
15 another Debtor, with Arena, Your Honor. So we may end up
16 needing to spend a little bit more time with you on Friday,
17 but that's just by way of background.

18 THE COURT: So when does the TRO expire? I don't
19 remember when it expires.

20 MR. PEREZ: 11:59 tomorrow, the 15th.

21 THE COURT: All right. And you're not needing a
22 hearing tomorrow. You're thinking you may need one Friday
23 and you don't know.

24 MR. PEREZ: Correct, Your Honor, yeah. And I
25 don't think -- as a practical matter, I don't think anything

1 can happen between 11:59 and Friday morning, so I'm not --

2 THE COURT: Good.

3 MR. PEREZ: -- I'm fine with that.

4 THE COURT: There is a Fieldwood hearing that is
5 scheduled at 9:00 a.m. on Friday morning.

6 MR. PEREZ: Correct, Your Honor.

7 THE COURT: And maybe that -- okay, I thought you
8 were saying it was in a different case.

9 MR. PEREZ: Well, it's a Fieldwood -- and Arena
10 is the counterparty, so it's -- I think it's in our case,
11 though.

12 THE COURT: Yeah. If you need to have that
13 hearing, you can self-calendar it for that same time and
14 give notice to the other side.

15 MR. PEREZ: We will do so, Your Honor.

16 THE COURT: All right. What else do we need to
17 do today? Does anyone have anything?

18 (No response.)

19 MR. PEREZ: Thank you very much.

20 THE COURT: All right.

21 MR. PEREZ: And I'm sorry we didn't keep you
22 longer.

23 THE COURT: Thank you. Bye-bye.

24 MS. LIOU: Thank you.

25 (Proceedings adjourned at 3:31 p.m.)

* * * * *

I certify that the foregoing is a correct transcript to the best of my ability due to the condition of the electronic sound recording of the ZOOM/telephonic proceedings in the above-entitled matter.

/S/ MARY D. HENRY

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